

June 1, 1973

I'm going to make just a few brief remarks relative to overriding the veto for 472. First I would like to briefly like to comment on those sections of the Governor's letter which has been pointed out is on your desk and I believe it was on your desk this morning. First paragraph of his letter suggests that there was something that the bill was amended cleverly without the knowledge of the public or presumably most Senators, relative to the provisions for the spending lid which is contained in the bill. I think that it is unfortunate that we again have a suggestion so that the members of the legislature are voting on bills without understanding, and I'm sure that that is not true. Certainly the limitations in 472 and in 172 for that matter were discussed at length on the floor. Many of you will recall that we held briefings from 4-6 down in the staff offices and any member could attend at which time these items were covered and certainly there were stories in the press explaining the provisions and they were printed in the Journal back in April a...a...April 19 and again May 11, so there was ample opportunity there for all of the understanding that could be and in addition I have obviously as many of you know individually discussed with you the provisions of 472 particularly those relative to the limitations and I'll comment on that brief a little more also. Secondly it indicates the second paragraph that in signing 172 that one of the reasons is that it can be done without any change in the sales and income tax rates and while that is true this year, I think that we also recognize that next year to maintain the 20 million of revenue sharing knowing that the state share will be reduced to 12.8 million approximately or at least this is what is estimated to maintain that level of state funding at 55 million will without question require an adjustment in either sales or income tax rates or the alternative will be to further increase local property tax by lowering the state support as a...this following year. Now the obvious short comings which are spelled out are four in number first that a man dated 40% increase in sales and a 33% increase in income tax starting next year obviously we have pointed out on numerous occasions on what these figures are is a one percent increase in sales tax and a 5% increase in the income tax and these as a level of funding is projected with the limitations that are contained in the bill will provide adequate funding at least through 1976 and possibly through 77 if the limitations can be retained. I think that it should also be pointed out that and many of you will recall that the rates which are proposed by the bill are identical or in fact less than what the Governor indicated himself last November that he would support and I would quote to you briefly from November 28, 1972 news article which is a review of one of the Governors speeches for Nebraska Tax Research Council on Monday, November 27, which it quoted state tax commissioner Bill Peters estimated the cost of Exon's tax relief equity package would be an increase in the state sales tax from 2½ to 3% and the personal income tax from 15 to 21%. We are within the guidelines of

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